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General Summary of News.

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England.—The Papers of the 25th, 26th, and 27th of May, are full of subjects of more than usual interest. The first of these has been sometime in the Settlement, and from the *New Times* of that date, a portion only of the Debate that took place in the House of Commons on the subject of the Bank Report, has been already laid before the Indian Public. Although we had this Paper in our possession, we were prevented from printing it immediately, by the interference of the Vestry Question; and since that, we delayed to do so until we could follow it up immediately by the other portion containing the close of the Debate; as we conceive that one part of a discussion in Parliament read several days before another, can never be so satisfactory or agreeable as when the whole can be presented at one view, or at least at the shortest possible distance of time from each other.

The *Old Times* of the 25th, enables us to present a much more full, and probably for the same reason—a much more accurate report of even the first part of this interesting Debate, than has been already given from the *New Times*;—and the *Morning Chronicle*, of the 26th, which is remarkable for the accuracy of its Parliamentary Reports, will enable us to give the conclusion of the Debate, on the following day.

In the *Morning Herald* of the 27th, are the Parliamentary Debates on the cession of Parga to the Turks, which are highly interesting, and which we shall lay before our readers immediately after the Bank Question. The Debate at the India House, on the grant to Lord Hastings, from the *Times* of the 27th, which is a Morning Paper, we have already given. From an Evening Paper of the same date, the latest that could have been brought from England by the last ships, we have been furnished with some able and highly interesting comments, on this last subject, which we shall lay before the Indian Public in due order.

The great length to which these Debates on the Bank Report extends, should not appal our general readers, who look for their daily portion of light and entertaining matter. It is a subject of the highest interest, considered only in its relation to the Science of Political Economy; it is one of more vital importance to the state and the country at large than has been brought before the Parliament for many years; and it opens a series of facts and arguments which do honor to the patient investigation and the brilliant talents of those who have entered into the discussion of the intricate questions it involves.

We promise to such as may enter on it, more satisfaction than they would be at first sight likely to anticipate; and we claim the indulgence of such as may not like these “heavy Debates,” as it is the fashion to call them, only for a day or two; when, since the Vestry Question is quite at rest, and the Military Discussions for a period at least suspended, we hope to present them with our usual variety of agreeable and entertaining, as well as important and useful subjects.

We proceed, therefore, on the Debate, which is headed “BANK REPORT,” and was commenced in the House of Commons on Monday the 24th of May, 1819; and closed on the following day.

Sir ROBERT PEEL said, that he now stood in a situation which he had never experienced before, although he had sat in that house 40 years. (*hear.*) The petition which he was about to submit to the house was from a body of men entitled to the very first consideration (*hear.*)—a body of men who, in the time of public distress and pecuniary want, were the very first to come forward and relieve the Government. He should wish to call to the recollection of some members, who he believed now heard him, whether they did not remember a meeting of the merchants and bankers called in 1797? At that time the Bank restriction act was projected, and could not have passed if that very meeting of the merchants, manufacturers, &c. had not expressed themselves strongly in its favour. (*hear.*) He begged the house would pay particular attention to the petition which he now held in his hand. It was one of no common character, but that of a great and important body, all of the first respectability, praying, that those resolutions which were intended to be submitted to the house might not be carried into effect. (*hear.*) He begged leave to state his opinion, that the petitioners were the best judges of such a measure. He would add also, that although they were intimately connected with all that concerned the welfare of the country, the most experienced men, and the best qualified from their connexion with our manufactures and commerce, yet they had not been examined by the committee (*hear.*); he hoped, therefore, that before a measure so destructive of the commercial interests of the country was passed, (and when he said that, hon. members would conclude every other interest to be combined with those, and to go along with them,) he hoped, he entreated, that the house would pause awhile, in order to collect that information which they so particularly wanted. (*hear.*) In looking at the reports which had been published on the subject, he must say that the witnesses were not men likely to give any information to government, not men acquainted with the state of the country; the last men who should have been questioned, if government wanted to arrive at the merits of the case. In attending, lately, a meeting in London, he begged it might be under-

stood, that that was the only one he was ever interested in, except the meeting of 1797, and that latter one was considered of consequence enough to have saved the country. (*hear.*) If, then, that was a meeting which deserved the attention of the house, he hoped the present one, which originated his petition, would be considered as equally entitled to it. He happened, on that occasion, however, to be in company with some whom he could not deem the best friends of their country; but he should not do justice to two persons who also attended there, (Messrs. Hunt and Wooller) if he did not say, that they behaved in a manner the least disorderly in the world, which he attributed to their new and singular alliance with his Majesty's ministers, for they supported the measure in question (*a laugh*); they inveighed against any attempt at deferring the period of resuming cash payments. He must confess, that the circumstance so new of these men being supporters of the administration, constituted the outline of a very good caricature. (*a laugh.*) To see the noble lord and his hon. friends on the one hand, and Messrs. Hunt and Wooller on the other, united in their attempt to pull down the mighty fabric erected by the immortal Pitt, was at once ludicrous and painful. He would implore the house to pause before any rash step was taken which might forward such an attempt. (*hear.*) He really thought the resolutions were of a very extraordinary character. It was true that he should have to oppose a very near and dear relation. (*hear.*) But while it was his own sentiment, that he had a duty to perform, (and he held the character of that house in so high a light besides,) he respected those who did theirs, and who considered them to be paramount. (*continued cheering.*) The gentlemen who opposed him at the meeting of which he had spoken, were rather indignant at his mentioning the name of Mr. Pitt. His own impression was certainly a strong one in his favour; he always thought him the first man in the country. All had some bias; and he should not quarrel with those who preferred some other name. (*hear.*) He well remembered when that near relation was only a child, he observed to some friends who were standing near him, that the man who discharged his duty to his country in the manner in which Mr. Pitt had, did most to be admired, and was most to be imitated; and he thought at that moment, if his own life and that of his relation should be spared, he would one day present him to his country, to follow in the same path. It was very natural that such should be his wishes, although those who did their duty might at once be contented with their conduct. He was well satisfied, that the head and heart of that relation were in their right place (*a laugh and cheering*); and that though he had deviated a little from the path of propriety in this instance, he would soon be restored to it. (*hear, hear.*) He (Sir R. Peel) had, however, entered more largely into the subject than he had intended; and any other observations he should reserve to a future opportunity, and conclude by moving, that the petition be brought up.

Sir JOHN SEBRIGHT could not allow some of the honourable baronet's observations to pass unnoticed. One of his charges was, that the committee had not consulted those whom the honourable baronet thought best qualified to judge of the question. He presumed the honourable member could not have read the evidence: if he had, he must have formed a very different estimate of the merit and character of those gentlemen who were examined, to what he (Sir J. Sebright) and he believed the majority of the house had formed. Besides, were manufacturers and merchants the only persons so qualified? Did it follow as a matter of course that no others were competent? (*hear.*) Then as to what the honourable bart. had said about Messrs. Hunt and Wooller, certainly he (Sir J. Sebright) was no follower of these gentlemen (*a laugh*); but he looked at measures, not men. Now, he understood them to have said this—that a greater power had been given to the Bank of England, than was ever before given, in a free country, to any private body of men whatever. In that opinion he concurred; and so long as they continued to act in that way, and to support those principles, he for one, should act with them, (*continued laughter.*) Gentlemen might put what construction they chose upon his expressions, but he meant this—that, repeating his resolution of looking at men, not measures, as long as Messrs. Hunt and Wooller continued to uphold such doctrines, he should think as they did (*hear.*) With respect to what the honourable bart. had said about his near relation, he did most heartily concur with him; and if any praise of his could confer one additional offering to the great character of that distinguished individual, (*loud cheering.*) he was most disposed to give it now. If ever there was a moment of his (Mr. Peel's) life, in which he was most unquestionably and most eminently entitled to the gratitude of his country, it was the present one. The honourable baronet closed his speech by warmly applauding the conduct of his Majesty's ministers in adopting the proposed measure, particularly at the present time (a tribute he could not refuse, though not much in the habit of supporting those honourable gentlemen) (*a laugh*), and by expressing his conviction of the advantages which would result from the measure itself.

Mr. GRENFELL could not imagine the honourable bart. had read the minutes of evidence when he spoke so slightly of some of the first and very first, commercial characters in this country. Was the honourable,

baronet aware that six Bank directors and Mr. Baring had been examined? Mr. Tooke, another of the witnesses, was also an eminent practical merchant. As a practical man himself, he could not refrain from offering these observations. (*hear*.)

Mr. MARRYAT concurred with the honourable baronet, as far as regarded the testimony of the witnesses, although he admitted very readily the point of their respectability. No proposition was started by one of them, but it was immediately controverted by the other. They were like negative qualities of the same denomination in algebra, which, being brought to the same side of the equation, completely destroyed each other.

The petition was then brought up and read, after which

Mr. PEEL moved the order of the day for a committee of the whole house, to consider the report of the committee appointed to inquire into the state of the Bank of England, with reference to the expediency of resuming cash-payments.

Mr. PEEL then rose, pursuant to notice, to submit certain resolutions, founded upon the report of the committee. He began by observing, that it was impossible for any individual to be placed in a situation which would render it more necessary for him to make some appeal to the house for a candid and patient hearing. He was about to call their attention to a subject which, as it affected our domestic policy, was the most important that could be submitted to their consideration. But, important as it was, it involved principles so abstruse in their nature, and rested on details so complex and uninviting, as to be but ill calculated for fixing the minds of a popular assembly. It had likewise been exhausted by the great abilities already applied to it on other occasions and in other places; and, under these circumstances, to add either novelty or attractiveness to the question, would be on his part a hopeless undertaking. He should, however, treat it at least without any party feeling, and view it as totally unconnected with party feeling, and view it as totally unconnected with party objects. Were he to act otherwise, he should indeed be an unworthy organ of a committee which had discarded from their minds every such consideration, which had laid aside all partiality of sentiment, and made the public interest the sole object of their exertions and inquiries. (*hear*.) He was now prepared with resolutions, the effect of which, if adopted by the house, would be to sanction the nearly unanimous opinions of this committee. He said nearly unanimously, for he was aware that the right hon. gen. (Mr. Tierney) had dissented from them; but he stood alone in his dissent. He was likewise aware, that although they had the good fortune to concur with respect to the practical remedy which it was most expedient to apply, in order to restore the currency of the country to its ancient system, they had arrived at this conclusion from different premises. A considerable diversity of opinion had existed as to the principles by which our circulation ought to be permanently governed. This, however, only tended to relieve the anxiety which would perhaps have otherwise pressed upon him, because he would now be understood as delivering merely his own sentiments, and that for whatever errors he might fall into, he was alone responsible. (*hear, hear*.) And here he felt himself bound to state, that since he had entered the committee, his own opinions had undergone a change. He had gone into the inquiry, determined to dismiss all former impressions that he might have received, and to obliterate from his memory the vote which he had given some years since when the same question was discussed. He had resolved to apply to it his undivided and unprejudiced attention, and adopt every inference that authentic information or mature reflection should offer to his mind. The statement which he was about to make was, he could assure the house, made by him without scruple or remorse. He had voted against the resolutions formerly proposed by Mr. Horner, and might be still inclined to oppose the practical remedy which they suggested. But with regard to the principles set forth in the first fourteen of those resolutions, he conceived them to represent the true nature and laws of our monetary system. It was his duty as an honest man to declare his concurrence, with a very little qualification, in all those principles. He was ready to affirm them, and felt neither shame nor repentance in paying this tribute to the memory of one with whom he had differed in general politics, but whose character he respected, and whose loss he sincerely deplored. (*hear, hear*.) After this preface, he should proceed to state the grounds on which he submitted the resolutions which had been laid upon the table. He had hoped that, after the repeated declarations of parliament on this subject, the only question of that night would have been one of mode or time with reference to the object to be accomplished. But an opinion had been avowed, he would not say that went the whole length of such a proposition, but which, if acted upon by the house, must inevitably lead in fact to the indefinite suspension of cash-payments at the Bank of England. (*hear*.) He had not expected it to be so openly avowed as it had been; but judging from the tone of some publications which had considerable influence, he must say, that if weight was attached to such an opinion by the house, it must be prepared to legislate to that effect. It might be necessary, therefore, at the outset to make up their minds with regard to the question of a metallic standard, and he had with this view expressed an affirmative proposition upon this point in the second resolution. Was it possible for the house to regard the system which had existed for the last 23 years, as one that could be continued? (*hear*.) Was it possible for them to suppose that we could go on without a fixed and a metallic standard of value, as the basis of our circulating medium? Such a standard had been adopted by every nation in Europe, and was recommended on the authority of every writer of reputation. All the witnesses, too, with one exception, who had been examined by the committee, gave testimony to the same effect. The exception to which he alluded was that of a very respectable man, in whose opinion the indefinite suspension of cash-payments was an

expedient and desirable measure. This gentleman, (Mr. Smith,) on being asked whether he thought there should be no standard, replied, that he would retain the pound; and when asked further, what the pound was, said it was difficult to explain; but that there was no gentleman in England who did not know what it was. (*a laugh*.) He added, that the pound was a standard which had existed in this country 800 years, and 300 years before the introduction of gold coin. From this authority he would appeal to that of Mr. Locke, who, after bewildering himself and his readers with metaphysical inquiries on the same subject, felt himself obliged to descend from these speculations on the abstract theory of representative value, and admit that the only standard was a definite quantity of gold bullion. To render this standard complete, it was necessary that the gold should be of a given weight and fineness, and bear with it an impress, which should secure the holder with respect to those qualities. He knew of no other theory upon which the currency of this country could be safely maintained; but circumstances had led to the temporary introduction of a different system, which some now asserted was more advantageous. Let the house then carefully and impassionately reflect on that system of circulation which was begun in 1797. They could not remove or lessen the difficulty by not looking at it fairly in the face. (*hear*.) That system affected every transaction of commerce; it was understood abroad, as well as at home, and every foreign Jew knew how to detect its fallacy.

The issues of the Bank of England were the foundation on which was raised the superstructure of the country banks, and those issues were made either in the purchase of gold, the discount of mercantile bills, or the purchase of government securities. A distinction had been drawn between the issues of the Bank, and the paper issued by foreign governments, and it might be of some importance to examine this distinction. By reference to the accounts it would be seen, that in the year 1815, the advances of the Bank to government amounted to 35,000,000*l.*, and they now amounted to 20,000,000*l.*, the amount of their notes in circulation being about 25,000,000*l.* Now it was well known that, these advances were not made on the security of any tax or duties already imposed, but in anticipation of future revenue. No provision was yet made for payment of the Exchequer-bills which the Bank held in acknowledgment of the debt created by these advances. How, then, could it be said that the issues of the Bank were regulated by the demands and necessities of the mercantile world? (*hear*.) How could they distinguish between such advances to government, and a paper circulation directly emanating from it? There was indeed this difference between them—that if the notes were issued immediately from the government, instead of immediately through them, an interest of three and half per cent. would be saved to the country. But again it was contended, that it was very different from a forced paper circulation, and the validity of this distinction might also deserve a little inquiry. Was it not received in all ordinary payments, and had he who objected to receive it any remedy but to wait till the resumption of cash payments? But it was said the Bank was safe, their affairs were prosperous, the utmost confidence prevailed, their issues were made upon the best security, and the public faith was pledged to them. This was perfectly true, and clearly distinguished the Bank of England from all other establishments of the like nature. But did it follow that, because the Bank was solvent, there could be no over-issue of its paper? If solvency alone was a sufficient proof that there was no excess of circulation, the theory of law was just, and the land, as well as the funds, might be safely converted into a circulating medium. (*hear*.) There was, in fact, no test of excess or deficiency but a comparison with the price of gold. This was not indicated by theory alone; the last few years had afforded abundant experience to support and confirm it. The circumstances which had taken place since the year 1816, were such as must fill every man who carefully considered them with a desire to put an end to the present system. In the year 1815, our commerce was in full activity, a great impulse had been given, speculation was at its height, and the exports were great beyond example. But in 1816 and 1817 came the natural result of these overstrained hopes and exertions. A languor proportionate to the degree of excitation succeeded. An immense accumulation of property had taken place for which there was no demand. Prices fell, the country banks stopped their issues, and thousands were in a moment stricken to the ground by a blow which they could not foresee, and against which it was impossible to provide. (*hear*.) The amount of Bank of England notes in circulation previous to 1814 was about 23,000,000*l.*; in 1815 it was about 25,000,000*l.*; in 1816, 26,000,000*l.*; and at the end of 1817, 20,000,000*l.*, together with a large issue of gold. At this period trade revived, and importations were made from all parts of the world. Many were deceived by a nominal profit, which in truth resolved itself into an excess of currency, and the same scene of distress and embarrassment was renewed. He might refer for the truth of this melancholy statement to a part of the evidence to which his honourable friend (Mr. Marryat) could, he apprehended, entertain no objection. He was sorry to find (Mr. Marryat had fallen asleep) that his honourable friend's attention was not quite so lively as he had reason to expect. (*a laugh*.) The evidence to which he was referring was that of Mr. Gladstone, who stated, that the value of grain and provisions imported at Liverpool, from Ireland, in 1817, was 1,200,000*l.*; and in the last year, 1,950,000*l.* He added, that in the year 1816, 270,000 bales of cotton were imported at the same place; in 1817, 350,000; and in the last year, 457,000. The consequence of this excess above the demand was, a fall in the price of cotton of not less than 40 per cent. The same gentleman declared, that in 1818, there were in Liverpool, goods to the value of 3,000,000*l.* above what were deposited there in the preceding year. All this overtrading was productive of no advantage; but as respected the labouring classes it was attended with incalculable mischief. The unequal and fluctuating demands for labour deranged all the relations

of humble life. At one period wages were too high; at another there was no employment. The rapidity with which these changes sometimes followed each other defeated all private arrangements, discouraged the steady accumulation of savings, and frequently overwhelmed the labourer with want and misery. He felt himself bound to speak out boldly and decisively upon this subject; for it was impossible to listen to the descriptions recently given by the hon. members for Coventry and Carlisle, of what the situation of the labouring poor was in many parts of the country, and not suspect that, whatever might appear by the returns from the Custom-house, there was some unsoundness in our present system. (*hear.*) It was one of the features of an excessive circulation, and that distinguished it from the ordinances of nature, as well as the more provident institutions of man, that it involved no counteracting principle to the evil which it created. It went on as long as the excitation lasted, but was sure in its relapse to scatter distress and ruin. Private bankers, at first anxious to accommodate, no sooner perceived a system of declining credit, than in the eagerness to provide for their own security, they refused further aid, and increased the want of confidence. This was one of the defects inherent in the system he was describing, and the question now was, whether that system should be continued, because they were afraid to face the difficulties of abandoning it. But if its continuance should be once sanctioned by the house, let it not be imagined, that they ought to measure its future evils by its past. (*hear, hear.*) Hitherto there had always been some check—the admonitions of parliament had been respected; but if once a hope should be held out, that the suspension might last for an indefinite period, that the amount of the circulating medium was to be left to the discretion of the Bank directors, uncontrolled by any consideration but that of their own profits, it would become impossible to estimate the extent of the mischief that might ensue. The committee had felt the necessity of guarding against so fearful a danger, and of inducing an impression on the public mind that the system would be brought to a termination. They felt that a mere declaration on this subject would be useless, and that mercantile transactions would continue in their present course, instead of being adapted to a return of the ancient standard. Four alternatives had presented themselves for their consideration: the first being to recommend the postponement of the resumption till after July next, accompanied by a declaration with respect to some future definite period. But if they had been content to adopt this proceeding, he would put it to the house whether they would have appeared to the country to be in earnest. (*hear hear.*) The apprehension and dismay which had been produced by the report, only convinced him the more strongly, that it was incumbent upon them to screw up their minds to the carrying its principles into effect. (*hear.*) Unless this was deeply impressed on the public mind, mercantile transactions would still be regulated on the supposition that the suspension would be continued. Parliament had four different times recorded the expediency of putting an end to the suspension, and the same principle was distinctly recognized in the resolutions of his right hon. friend (the Chancellor of the Exchequer) who had been recently taunted as though he had always objected to it. The whole circle of expedients had been tried; and if their opinion always had been, that cash-payments ought to be resumed, it was surely time to make the attempt. Another alternative was to fix a definite period, and to make some declaration of principle that might be an instruction to the Bank. But this would still leave it to the Bank to act upon this declaration of principle as it should think fit; and if they controverted the principle, as they had done, it was not likely that their observance of the declaration would be very strict. That they denied the principle was manifest, and if the house would turn its attention to the resolutions of a court of directors, with respect to the contents of a paper presented to them by the committee, they would see the impolicy of referring it to them to adhere to that principle. In this resolution it was stated, that the directors could not discover any solid foundation for the opinion that the foreign exchanges might be regulated by their issues. The third alternative was that of a positive limit to the amount of circulation. This, however, would be an unwise proceeding, for it was not possible to prescribe beforehand what that amount should be. In the event of a run upon the Bank, proceeding from a want of confidence, some increase might be necessary; and an extension of their issues in 1797 might perhaps, by restoring confidence, have rendered the original restriction unnecessary. But in the case of a rise in the price of gold, a reduction was equally necessary. It was also to be taken into consideration, that the country banks required a larger circulation at some particular periods than at others; and therefore it was impossible to adopt a plan in which they restricted themselves merely to the measure of fixing the amount of circulation. The fourth plan which had been suggested, was that contained in the resolutions which were now before the house. It proceeded on the principle that the Bank should regulate its issues according to the price of gold, and was in fact the same that had been acted upon before the restriction was imposed. The committee had found, that the price of gold, for 3 months before, and during the sitting of the committee, was considered above the Mint price, and was as high as 4*l.* 1*s.* per ounce. They considered, therefore, that it was important to the commercial interests of the country, to postpone the final resumption of cash payments for nearly four years, but at the same time to adopt such a plan as should convince the public that they were in earnest when they fixed on that period. It was unnecessary for him to explain the resolutions in detail, as every gentleman who took an interest in the subject had no doubt perused them carefully. [The right hon. gent. then stated in general terms the substance of the resolutions.] They required, it was true, that the Bank should pay gold for their notes at the Mint price two years hence; but at the same time under certain modifications, that would render a less quantity of gold necessary than if the restriction were completely removed at that period. Demands on the Bank for gold

were made either from caprice, or for the purpose of accommodation, or to regulate the exchanges so as to make a profit by exportation; and they, therefore, made a regulation, the tendency of which would be to prevent any demand for gold except for exportation. As it was unnecessary for him to enter into a formal detail of the plan itself, he should proceed to meet the objections which had been urged against it. The proposal for the payment of the money borrowed by government had excited great alarm in the minds of some persons, because it was apprehended that the amount of that payment must be extracted from the circulation of the country, and consequently that trade must be seriously injured. The committee, however, did not require the immediate payment of this money by government, nor did they propose that the whole sum to be repaid to the Bank should be paid at one time; they only recommended the gradual payment of a part of the advances made by the Bank; and as to the time of payment, their plan only required that it should take place before the Bank resumed its cash-payment two years hence.

The committee did not think, that in order to enable the Bank to issue gold in Feb. 1820, on the plan proposed, a repayment of any thing like 10,000,000*l.* would be necessary; but they thought the Bank had a right to demand the repayment of a part of their advances to government, before they themselves could in justice be called upon to pay in cash. They did not think that 10,000,000*l.* would be necessary, but they believed that a considerable repayment would be indispensable. This measure was the more desirable, because, from a paper which had been laid on the table, he thought it absolutely necessary that the relation at present existing between the government and the Bank should be altered. (*hear, hear.*)

The paper to which he referred was a representation to the two houses of parliament, agreed to on the 20th instant by the Bank Directors; and he should take the liberty of reading the following paragraph from this representation:—"Under these impressions, the Directors of the Bank think it right to observe to his Majesty's ministers, that being engaged to pay, on demand, their notes in statutable coin, at the Mint price of 3*l.* 17*s.* 10*d.* per oz., they ought to be the last persons who should object to any measure calculated to effect that end; but as it is their duty to consider the effect of any measure to be adopted, as operating on the general issue of their notes, by which all the private banks are regulated, and of which the whole currency (exclusive of the notes of private bankers) is composed, they feel themselves obliged by the new situation in which they have been placed by the restriction act of 1797, to bear in mind not less their duties to the establishment over which they preside, than their duties to the community at large, whose interests in a pecuniary and commercial relation have in a great degree been confided to their discretion." In reading that paragraph, he meant to prefer no complaint, no accusation, against the directors; but he must say that this passage contained a melancholy truth. It was impossible for him not to respect the Bank of England, when he reflects on the important services which that establishment had rendered to the public. For the directors also he felt the greatest respect; but on reading that paper, he was inclined to relieve them from the duty of watching over the public interests. (*hear.*) The great duty of attending to the interests of the community belonged to the government; and because they had transferred it in a great measure to the Bank, let them not defer a moment longer to resume it. It was on that account that he recommended the repayment of 10,000,000*l.* by the government. Let the house consider what would be the practical consequence of the gradual repayment of that sum, supposing it to commence at present, and to proceed at the rate of 400,000*l.* or 500,000*l.* per month. [The right honourable gentleman then read the first and second resolutions.] Now, why should it be supposed that such a repayment by government would lead to a contraction of the circulation? Why might not the managers of the Bank spend one-half of the sum repaid in buying bullion, and employ the other half in extending their trade? He could see no necessity for the Bank's contracting its issues in consequence of a repayment by government; nay, he was not sure but it might by that very means be enabled to extend its issues. He would attempt to prove to the house, that a contraction of the issues of the Bank was not a necessary consequence of this plan; but that, on the contrary, the carrying of these resolutions into effect would be attended with an increase of its issues. The supporters of this measure were told, that their object was to make the Bank conform its issues to the price of gold. But the mere obligation of the Bank to pay their notes in ingots or bars of gold, let them be called by whatever name you please, made no difference. What did the Bank do from 1794 to 1797? They did during that period just what they now objected to do, and then gold was never at a higher price than 3*l.* 17*s.* 6*d.* The Bank were then expressly under the same obligation to deliver bullion, as they would be under the present plan; and yet the price of gold was not affected by that regulation: the holder of their notes had a right to demand in exchange for that amount of note 5 pounds or 60 ounces of stamped gold; and the house knew that, notwithstanding the prohibitory laws, the gold went out of the country. It was said the price of gold fluctuated, but he apprehended that the argument founded on that assumed fact was a mere fallacy. When people talked of gold rising in price, were they prepared to show that it had risen in intrinsic value? Let them not talk of its price in paper, but in any other commodity of a real and fixed value. Did a given quantity of gold at present command any more coin, or any more silver, than it would have done 50 years ago? Of corn, indeed, it might command a greater quantity, because it was a commodity that fluctuated in value; but of things which had a fixed and permanent value, it would actually command a smaller quantity than it would have done in England 50 years ago. We talked of the price of gold being raised by taxation, but this he could prove to be a fallacy, for if we looked at the prices of gold during differ-

ent periods of our history, we should find that the price had been low when the amount of taxation had been high; and, *vice versa*, that the price had been high when the amount of taxation had been low. When we talked of the price of gold, we estimated its value by that of the pound; and whenever the pound returned to its original value, it would be found that gold had not risen in value. Again, it was said that the amount of the revenue had increased, and that that increase rendered a greater amount of the circulating medium necessary; but that position he also denied. It not only did not follow, that the amount of the circulating medium varied in direct proportion with the amount of taxation; but he would show that they had varied in an inverse ratio: and for this purpose he would compare the two periods of 1792 and 1809. The latter period was the year preceding the appointment of the bullion committee, when our trade was unusually extensive; and he chose the former period because the circulating medium was then very great. Did it not follow, then, according to the theory which he was combating, that the circulating medium ought to have been greater in 1809 than it was in 1792? And if it could be shown that was not the case, was not that theory contradicted by fact? The late Lord Liverpool said, that in 1792 there were 30,000,000*l.* of gold in circulation; but he (Mr. Peel) should be contented to take the amount of 5,000,000*l.* less. Then there were 11,000,000*l.* of Bank-notes in circulation, and consequently the whole circulating medium that year amounted to 36,000,000*l.* In 1792, the interest of the national debt was 9,000,000*l.*; the number of ships employed in commerce was 10,000; and the amount of official exports was 19,000,000*l.* In 1809, the interest of the national debt was 31,000,000*l.*, the number of ships amounted to 15,000; and the official exports had increased one-half. According to this theory, then, there should in the latter year have been a corresponding increase of circulating medium. But gold did not remain in the market when it had risen to 4*l.* 1*s.*, and the amount of the circulating medium in 1809 was only 19,000,000*l.*; yet it was contrived to perform with that circulation all the transactions that had been performed in 1792, and even transactions to a much greater amount. The theory, therefore, which supposed that the circulation must vary in amount with the revenue, was erroneous. He should have found great difficulty in accounting for this circumstance, if a noble friend of his in the other house (Lord Liverpool) had not moved for a document which threw more light on this important subject than any other paper that he had seen: it showed that the same amount of notes at one time would transact a three times greater amount of business than at other times. The right honorable gentleman read several calculations from the paper to which he had alluded, the object of which was to show what number of days notes of various denominations remained in circulation in the year 1818, compared with the time that notes of the same denomination remained in circulation in 1792. If 1792 the average number of days that the 1,000*l.* note remained in circulation, was 22; in 1818, only 13. In 1792 the 10*l.* note remained 236 days in circulation; and in 1818, only 147 days. In 1792, the total amount of notes of every denomination issued by the Bank was 74,817,000*l.*; and in 1818, 236,064,933*l.* The inference to be drawn from this comparative statement was, that a much less circulation was necessary, and would perform transactions to a greater amount, at one time than at another; and therefore, the doctrine against which he was arguing was absurd. Amongst the various propositions which had been advanced on the subject, was one which at first appeared very plausible, and was made by those who admitted the advantage of reverting to a metallic standard of value.

The argument they used was, that a variable standard exposed the country to great danger; but at the same time, as we had now been 22 years without a metallic circulation, it would be extremely difficult and hazardous to revert to the ancient system. These persons maintained that we ought to regulate the value of gold by the market price; and their plan amounted to neither more nor less than this—we ought to extricate ourselves from our present difficulties, by depreciating the precious metals. This however, would only be practising a fraud on individuals; it would have no effect on the price of gold or in regulating the exchanges with foreign countries. The foreigner would detect the alloy in our coin when thus depreciated, nor would the plan afford any security against the exportation of gold. He would earnestly caution the house against being misled by such an argument. A contrary system had been long established in this country, and a deviation from that salutary system would only give an advantage to be obtained at any time by fraud. Those who would take the trouble to look back to the history of our coin, would find that it had been reformed at three different eras—periods to which every lover of his country would look back with pleasure. The periods to which he referred were the reigns of Edward I., of Elizabeth, and of William III. These were periods of as great difficulty as any that we had encountered, and yet these difficulties had been overcome. Edward found his coin debased, and although engaged in the conquest of Wales, and in the war with Scotland, he turned his attention to the reformation of the coin of his realm—a circumstance dwelt on with pleasure by historians, as presenting a noble instance of public spirit and wisdom. The next period was in the reign of Elizabeth, the coin having been debased by Henry VIII. and Edward VI. nearly 400 per cent. In the second year of her reign she directed her attention to the reformation of the coin. Those who were hostile to such a measure represented to her that the courts of Rome, of France, and of Spain, were all leagued against her, and asked her if that was the proper time to execute such a plan; but she was advised by Lord Burleigh that these were the very reasons why she should do it, and that by attending to the welfare of her own subjects, she would increase their attachment and command the respect even of her enemies. (*Acad.*) In Lord Liverpool's book this conduct of Elizabeth was highly applauded, and the reader was referred to the epitaph inscribed on her monument, in which

the following sentence recorded not the least glorious action of her reign—*Monetam in justam valorem restituit.* (*Acad.*) Having ourselves so many claims to praise similar to those which the reign of Elizabeth presented, let us not deprive ourselves of the applause which was so justly conferred upon her—that “she had the manliness to reform the coin of her kingdom.” At a time when William III. was engaged in war, did he undertake the reformation of the silver currency; at a time, too, when parties ran so high, that the Chancellor of the Exchequer could not propose such a measure without anticipating the most formidable opposition. He found the silver currency clipped and debased in the same manner as it had been in the time of Elizabeth, and he heard the same arguments on the subject that had been used to her. If the house would look at the arguments on both sides, at those advanced by Lowndes on the one side, and those by Locke on the other, they would see how analogous they were to those that were advanced at present. Lowndes complained that the value of silver was enhanced, and wished for the return of the good old times when silver was at 5*s.* 3*d.* per ounce, while then it was at 6*s.* 2*d.*; and also contended, that the shilling was the real standard of value. Locke, on the other hand, maintained that the pound weight of silver was the standard of value, and that the coin was depreciated, and not the bullion raised. The present value of silver he affirmed to be as formerly 5*s.* 2*d.*, and therefore not at all altered, except in comparison with a deteriorated currency. Silver in coin was the same in value as silver in bullion. It was perfectly true, he said, that an ounce of silver, which the Mint regulations determined to be only 5*s.* 2*d.* in value, had risen to 6*s.* 3*d.*; but that was only because the silver coin had been clipped or reduced in value, by the difference between 5*s.* 2*d.* and 6*s.* 3*d.* Give me, said he, 5*s.* of standard weight and fineness, as originally coined, together with 2*d.*, and I will with that sum purchase for you an ounce of silver for which you now pay 6*s.* 3*d.* Mr. Locke had no abstract idea of a shilling or of a standard of value, as detached from something substantial and tangible. He had the same difficulties to encounter in this respect as Martinus Scriblerus is represented to have felt in the amusing work of that name, in following the metaphysical speculations of his tutor Crambe. Being asked if he could form an idea of an universal man, he replied, that he conceived him to be a sort of “knight of the shire, or the burgoes of a corporation, who represented a great number of individuals;” but that he could form no other notion of an abstract man. (*a laugh.*) To puzzle himself still more, he was asked by his father “if he could not form the universal idea of a lord mayor?” To which he replied, “that never having seen but one lord mayor, the idea of that lord mayor always returned to his mind; that he had great difficulty to abstract a lord mayor from his fur gown and gold chain; (*a laugh.*) nay, that unfortunately the only time that he saw a lord mayor, he was on horseback, and that the horse on which he rode not a little disturbed his imagination. Upon this, says the history, Crambe (like another Mr. Lowndes or those who could form an abstract idea of a pound sterling,) swore that he could frame a conception of a lord mayor, not only without his horse, gown, and gold chain, but even without stature, feature, colour, hands, feet, or any body, which he supposed was the abstract idea of a lord mayor.” (*a laugh.*) Mr. Locke, unfortunately, was not so penetrating. He could frame no conception of an abstract standard of value, without reference to an existing substance; and was therefore obliged to put up with the vulgar idea, that a pound was a certain quantity of metal of a given weight and fineness. (*a laugh.*)

At the time of the new coinage at the period to which he alluded, prejudices in theory, and misconceptions in reasoning, were not only to be encountered, but the greatest financial and political difficulties were to be overcome. At a time when the future revenue was to be mortgaged for current charges, 3,000,000*l.* were to be raised for the expenses of a new coinage. The important duty of carrying the measure into effect devolved on Mr. Montague, the then Chancellor of the Exchequer. He would state the arguments of the adversaries of the measure, and the reasoning with which its friends supported it. The reasons against calling in the deteriorated currency for the purpose of a re-coinage, were, that at that time a war raged, which required the undivided exertions of the country; that the public resources should not at such a time be wasted on an unnecessary object, or a doubtful experiment; that the expenses incurred would be more than the nation at such a period could bear, and its discontents might be excited by fresh grievances to acts of rebellion. The enemies of this expedient moreover argued, that should the silver coin be called in, it would be impossible to carry on the war abroad, or to prosecute foreign trade, inasmuch as the merchant could not pay his bills of exchange, nor the soldier receive his subsistence. What, in reply to this reasoning, were the arguments of Mr. Montague and the friends of the measure? They argued, “that the mischief must be fatal, if a present remedy were not found out and applied; that by reason of the ill state of the coin, the change abroad was infinitely to the nation's prejudice; that the disease would every day take deeper root, infect the very vitals of the state, and if not remedied would soon become incurable; that the enemies of the nation must be mightily intimidated by so great an action, and would sooner be induced to agree to honourable terms of peace, in case they saw us able to surmount this difficulty, by the retrieving of the ill state of the coin, on which their hopes of the nation's speedy ruin so much depended; and that it would partly create a mighty esteem abroad of the greatness and wisdom of the parliament of England, which was able to conquer such an obstinate and almost insuperable evil in such a juncture affairs.” (*Acad.*) These arguments happily prevailed, and notwithstanding the expense, the project of the new coinage was carried into execution. Considering, then, that such an object had been accomplished at such a period, and in the midst of such difficulties, he would ask, was there any thing in the state or prospects of

the country at present to deter us from the great work of improving our currency? (*hear, hear.*) When we heard from some quarters, that our prosperity was to be attributed to an inconvertible paper currency, ought it not to strike us that the real cause was overlooked, and that what was produced by one cause was given to others? (*hear.*) Were we not a great nation before 1797? Were not our resources great and flourishing, our commerce extensive and prosperous, and our military and naval glory raised to the highest pinnacle of fame before we were blessed with an inconvertible paper circulation? (*cries of hear.*) Let us recollect, that if we differed from other nations in having a paper currency, we likewise differed from them in another respect—the stability of our public faith (*hear.*); and that we ought to cherish the latter as much as we praised the former. Let us recollect, that from a regard to that good faith, we had respected, even in war, the properties of foreigners invested in our funds; and that by the confidence it inspired, we had been carried through our difficulties. Let us not, now that we have attained the objects for which we contended, that we have weathered the storm which threatened to overwhelm us, and arrived in safety and triumph at the destined shore, discard the guide by which we were led and protected. (*cries of hear.*) Let us adhere to that good faith in time of peace, and towards the public creditor, which we practised in war, and towards the foreigners whose country was at war with us. (*hear.*) Let us recollect, that the fluctuations of price which an inconvertible paper currency occasioned, were injurious to the labourer, who found no compensation in the rise of his wages at one time for the evils inflicted by a depression at another. (*hear.*) He had thus discharged his duty in bringing the resolutions recommended by the committee of which he was a member before the house, and he was afraid he had occupied its indulgent attention too long. (*hear.*) There were however, still two topics on which he wished to say a few words, though it was not very necessary to his object to advert to them. A noble friend of his in the other house, (Lord Lauderdale,) whose acquaintance with the subject all were ready to acknowledge, entertained an opinion, that our Mint regulations would interfere with the return to a standard of gold, which it was the object of the committee to recommend. It would be the less necessary for him (Mr. Peel) to enter on a detailed examination of this question, as it had not come before the committee of this house. It appeared to him, after the most mature deliberation that he could give to the subject, that the Mint regulations had no connexion with the question. By these regulations there were not two standards of value. Silver was merely a money of convenience for small sums, not coined like gold at the pleasure of individuals who brought it to the Mint, and without loss, but coined by order of the government. Its depreciation therefore could not affect the price of gold, or drive it from circulation. When he recollected that from the year 1773 to 1797, a more deteriorated silver currency existed and that this currency was then a legal tender for 25l. instead of 40s. as now, without at all affecting the price of gold, he thought he might quote experience in support of his argument against the theory of the noble peer. The other topic to which he alluded, was a project which, he understood, would be brought forward to facilitate a return to cash payments, or as a substitute for them. That project consisted in requiring the Bank to pay their notes in gold at the market price of that metal. (*hear, hear.*) Such a plan could not, he thought, be entertained for a moment; it would postpone indefinitely the return to our former circulation; it would take from parliament the right of regulating our currency, and place it at the discretion of a body of individuals to whom such a power ought not to belong; it would have the effect of making gold conform to the value of paper, and not paper to that of gold, and would not, in fact, afford any of that security that was contemplated by the establishment of a metallic standard. By it the Bank might at any time issue paper, so as to depreciate their notes, and raise the market price of gold, and then pay their notes in diminished quantities of that metal. He had now brought his observations to a close. He had mentioned, that he had changed his opinion on the subject of the bullion report; and his avowal of that change, which he hoped would not expose him to the charge of inconsistency, would shew his sincerity. Other difficulties he had met, in bringing forward the present resolutions. The house would see that he had to encounter the opposition of one to whose opinion, whenever he could conscientiously, he would always bow with the utmost respect. But having the solemn duty imposed upon him, of giving all his attention to a subject in which the interests of the country were so deeply involved, and having considered the evidence, not of theoretical men, but of men acquainted with business, he was led to believe in the principles which were laid down in the report before the house. He felt himself bound to declare, that he had changed his opinions, and that he was a convert to the doctrines regarding our currency which he had once opposed. (The right hon. gentleman sat down amid loud cheering.)

The CHAIRMAN then proceeded to read the resolutions. The first, which is, "That it is expedient to continue the restriction on payments in cash by the Bank of England beyond the time to which it is at present limited by law," was agreed to without any expression of dissent.

The second, which is, "That it is expedient that a definite period should be fixed for the termination of the restriction on cash payments; and that preparatory measures should be taken, with a view to facilitate and ensure, on the arrival of that period, the payment of the promissory notes of the Bank of England in the legal coin of the realm," was agreed to in the same manner.

The third, "That in order to give to the Bank a greater control over the issues of their notes than they at present possess, provision ought to be made for the gradual repayment to the Bank of the sum of 10,000,000l.

being part of the sum due to the Bank, on account of advances made by them for the public service, and on account of the purchase of Exchequer bills under the authority of acts of the legislature," passed in like manner.

Upon the fourth being read, "That it is expedient to provide, by law, that from the 1st of February, 1820, the Bank should be liable to deliver, on demand, gold of standard fineness, having been assayed and stamped at his Majesty's Mint (a quantity of not less than 60 ounces being required), in exchange for such an amount of notes of the Bank as shall be equal to the value of the gold so required, at the rate of 4l. 1s. per ounce," there was a short pause, when,

Mr. ELLICE rose to propose an amendment. Though it might appear presumptuous in him to claim the attention of the house, after the very able speech of the right hon. gentleman who had just sat down; yet he could assure them, that he rose with no presumptuous feelings, but he thought it due to himself to state his objections to the proposed resolution: when he did so, he did it from no hostility to the general principles of the report. In those general principles, so ably stated, and so eloquently illustrated by the right honourable gentleman, he entirely concurred; and he had offered himself to the house in opposition to two of the resolutions, not because he differed with their general object, but because he did not agree to the application of them to the actual state of things. He would not weaken the force of the right honourable gentleman's statements or reasonings by repeating them. They would meet with general concurrence. The opposition to them arose from an idea that the application of the principles of the report would be inexpedient at the present time; but it happened unfortunately that those who enforced that inexpediency, mentioned no time when it would cease, and the return to cash payments be effected with safety. He could mention, from his acquaintance with business, several circumstances which would confirm the able statements of the right honourable gentleman. The difficulties and distress of 1816 were fresh in the recollection of all; but the right honourable gentleman opposite (the Chancellor of the Exchequer) had neglected to take advantage of the results to which they led. In consequence of the great exports of 1814 and 1815 gold had been brought into the country. Its price accordingly fell, and continued to fall, till 1817. The distresses of the country had gradually disappeared, and every thing began to wear a smiling aspect. To counteract this favourable and improving state of things, towards the middle of 1817 the issues of the Bank became again excessive, produced an artificial prosperity, encouraged speculation, and led to the overtrading which had since produced so much embarrassment, and the consequences of which, he was afraid, we were only yet beginning to feel. The right honourable gentleman had well stated, that the common people derived no benefit from this temporary and artificial prosperity to compensate for the accumulated evils of a change. In 1818 our exports had greatly increased; but he would ask the noble lord (Castlereagh) who boasted of their amount as a test of our prosperity, or he would ask any of those from whom he was in the habit of receiving his information on commercial subjects, whether 50 per cent. had been realized on the nominal amount of our exported commodities? The want of returns for them was the cause of the present depression of our trade. If by issuing paper to increase prices you rendered commodities so dear as that foreigners could not buy them, was not a great injury done to the trade of the country? He therefore, hoped that means would not be resorted to again to raise prices in a similar manner. The consequences of the measures of 1817 were not yet fully felt; we should feel them more and more till our return to the ancient standard of value was completed. After several other observations confirmatory of the statements of the right honourable mover, he (Mr. Ellice) proceeded to say, that though he agreed in the principles of the report, he would beg to propose an amendment. The three first resolutions met his views; but he differed from the recommendations of the fourth. Although he did not censure in the principle of the Chancellor of the Exchequer, who in 1811 had procured the passing of a resolution, declaring that Bank-notes had not depreciated, in the face of facts more glaring than those on which the opposite doctrine was now supported and acknowledged; yet he was averse to acknowledge, in a legislative enactment, that our currency had depreciated.

The permission given to the Bank by the fourth resolution, of paying their notes in gold at the rate of 4l. 1s. per oz., while the Mint price was 3l. 17s. 10½d. was a virtual acknowledgement of this depreciation. If it was absolutely necessary to attain the object of a return to cash payments, he would even concur in this resolution; but he thought the necessity might be avoided by the amendment he was about to propose. He would first propose, that the Government should be compelled to pay the Bank the advances specified in the third resolution of the 10,000,000l. His reason for this was, that the right hon. gent. (the Chancellor of the Exchequer) had already failed in fulfilling his engagements to the Bank. In the last year a payment of 9,000,000l. was promised to the Bank by monthly instalments of 1,000,000l.; but it appeared that in May only 500,000l. or 600,000l. were paid, that nothing was paid in June, nothing in July, and that in August, instead of paying, he went to borrow money from them at a lower rate of interest. The Bank was, therefore, almost justified by the conduct of government to them. The first resolution he would propose as his amendment, was leaving out the words after "that" in the fourth resolution, to substitute the following: "it is expedient to order by law, that the sum of 9,000,000l. of the bank advances to government be repaid, by monthly instalments of 5,000,000l. beginning with the 10th of June, and that no intermission take place till the whole be repaid." Having thus explained the nature and object of his first amendment, he would now proceed to state the other resolutions which he proposed as amendments of

the right hon. gentleman's resolutions. The next was,—“That, in the opinion of this house, the Bank ought not to advance any money to govern ment on Exchequer-bills, or Treasury-bills, beyond the present sum advanced by them, or beyond the sum that shall remain due to the Bank after the 10,000,000l. are reduced, without the authority of parliament.” This resolution would, if agreed to, have the effect of preventing any apprehension that the measures adopted for the purpose of facilitating the resumption of cash-payments must fail on account of the necessities of government. The object of his next resolution was to put it in the option of the Bank to pay in the legal coin, or in gold, at the Mint price. If the house would agree to this resolution, it would operate in bringing matters to the same point at which the right hon. gentleman wished them to arrive. It was not pretended that it was likely that any great demand would be made for gold. It was the less likely, as these very measures must tend to lower the price of gold. The resolution was, “That the Bank have it in its option to pay after the 1st of May, 1821, either in legal coin, or in gold, at 31. 17s. 10½d. per oz.” He had one other amendment to propose, which would prove his attachment to the ultimate object aimed at, by the resolutions of the right honourable gentleman. Since by the preceding amendments more indulgence was given to the Bank, he thought it but fair that one year should be curtailed from the period proposed for the final and full resumption of cash payments. His amendment was, “That after the 1st of May, 1822, the Bank pay its notes in the legal coin of the realm.” With the last resolution moved by the right hon. gent. no person could find fault, all were agreed as to the expediency of repealing the laws against melting and exportation of coin. He begged pardon of the house for having occupied so much of their time. (*Heard.*) He was sure that the amendments he proposed, if agreed to, would prove as effectual as the resolutions of the right hon. gent. and at the same time get rid of the inconveniences which incumbered those resolutions. The first of these inconveniences was the necessity of having a depreciated currency in the meantime, till the Bank could pay at the Mint price; and the other inconvenience was, the want of confidence in the government for giving the aid necessary to the Bank. He would be the last person to attempt the introduction into the debate of what the right hon. gentleman's speech was so perfectly free from, any party feeling. (*Heard.*) But from the course of conduct adopted by the right hon. Chancellor of the Exchequer, he felt himself bound to say so much respecting the degree of confidence to be placed in government on this occasion.

Mr. BROGDEN read the 4th of the original resolutions, and the resolution proposed as an amendment, and put the question.

Mr. J. P. GRANT said, that he felt at least as much reason to entreat the indulgence of the house as the last speaker. He assured the house that he would be as short as it was possible for him in explaining the nature of the objections he was to state. Feeling himself bound by his duty to the house, by his duty to the country, and by his duty to himself, small as the degree of value might be which the house would attach to any opinion of his to state his objections to the proposed measure, he begged the indulgent attention of the house while he submitted to their consideration a matter that was in itself extremely important. The right hon. gent. had as manfully and as creditably as possible retracted an opinion which was recorded in a resolution of that house, that 12. and 1s. were equivalent to one guinea. This retraction did him great credit; but the necessity of making it did not reflect credit on the government of the country. They were convinced, the house was convinced, that the system was fundamentally erroneous, and productive of disastrous consequences. The system pursued since the peace, it was now confessed, produced disastrous consequences; and if further pursued, would produce consequences still more disastrous. But upon this view of the subject he would say no more. He should now state an opinion in which not one member of the committee, so far as he knew, agreed with him, but in which he was supported by men of considerable authority, and by the evidence of most intelligent witnesses before the two committees. To the illustration and proof of this opinion, respecting a subject to which the right hon. gent. had alluded, he would confine himself in his further observations to the house. He appealed to the right hon. gent. opposite (Mr. W. Pole) whether, when he had detailed to the house the seignorage on the new silver coin, he had not then stated in reply, that the two metals could not continue current in the country, that the silver would expel the gold. Since that time he had seen no reason to alter his opinion; on the contrary, all that had since happened, and the reports of the committees, confirmed his opinion, and he was quite persuaded that it was impossible to resume payment in gold at par, or the Mint price, unless the Mint regulations were altered. Some persons were of opinion that gold ought to be depreciated to the value of silver and Bank paper. This was an expedient which he thought was to be avoided at all hazards. But if they meant to have gold issued for any other purpose than for exportation, they must alter the regulations of the Mint. He was aware that, after one had been fully convinced in his own mind of any opinion, he was apt to overlook the objections which could be urged against it. It might be so with him, but he was not insensible that men of the greatest talents, and capable of applying their minds with the utmost vigour to profound and intricate researches, did not agree with him in opinion. But it seemed quite manifest, that if the Bank was to pay in gold without any alteration in the regulations of the Mint, the gold would be exported as the gold already issued had been exported. It could not have any effect on the currency of the country. And what was there so salutary and necessary in those regulations, that they should be retained against even the conviction of one man that they were most unwise and injurious? Mr. Locke, Mr. Harris, all the great men who had examined the subject, Lord Liverpool, all agreed that there could be but one standard of value. When two metals were issued, and one was depreciated, the one thus overrated had always driven the other

out of circulation. If any doubt existed on this point, the evidence of Mr. Rothschild, who stated that the gold issued by the Bank had never gone into circulation, but had been immediately exported, might remove the doubt. If gold were exported to France, it was with profit; if silver were imported into this country, it was with profit. From the evidence given before the committee of the Lords, it appeared that at Paris, which was the only market for gold, gold was at 7s. 4½d. per oz. more than in London. There was consequently a profit to that amount upon every ounce exported to Paris. If you converted paper here into silver coin, and with that silver coin bought gold which you exported to Paris, you made profit at the rate of 15½ of silver to one of gold. You must, in order to compare the values fairly, convert your money into a metal common to both countries; if you then convert your paper into hardware, that is, into silver, bring it to this country, and buy gold at the Mint price, 31. 17s. 10½d. and you make this profit. Gold was superior to silver in the proportion of 1 to 15½; that was silver was depreciated below the standard value of gold 1 in 15½; profit was therefore made of the exportation of gold into Paris, or the importation of silver into London, at the rate of 1 to 15½. What was the relation in consequence of the pound sterling to gold? You had a premium for delivering silver in London, weight for weight, and fineness for fineness: you had a premium for delivering gold in Paris, bought with silver coin in this country. He spoke in the hearing of merchants who understood those matters better than he did, and who must at once perceive the force of his argument, if they did him the honour to attend to him. But without going into calculations, they had here broad facts. There was a premium upon the exportation of gold from London to Paris; there was a premium upon the importation of silver from Paris to London. If all these facts were so, they ought to arrive at this conclusion—that paper was depreciated as compared to gold, not as compared to silver. This conclusion the witnesses before the Lords' committee fully established. The evidence of those witnesses was the stronger, and the more free from suspicion, as they doubted the very conclusion which their evidence established. Mr. Baring, who was a most intelligent witness, the house would allow, gave evidence to this effect: “Supposing there had been no Bank paper in circulation, and that our silver coin 6½ per cent. depreciated, issued in sufficient abundance, had been the only circulating medium, would not the value of gold have naturally risen, and would not the foreign exchanges become unfavourable? No doubt of it: in that case the silver coin must have been the legal tender of the country, and the standard by which the price of gold, and of our foreign exchanges, would have been regulated.” This was the evidence of a person who thought that the Mint regulations had no effect whatever, although he was astonished at the singular coincidence of the issue of the silver coinage, and the depreciation of paper. In this evidence he had admitted, that silver would produce the same effect, but chose to ascribe it rather to the paper, and to say the silver could not produce such an effect, because Government retained in their own hands the power of regulating the amount of the issues. Mr. Mushett's evidence in like manner explained the depreciation that had taken place in Bank paper. Mr. Halldimand's evidence was next referred to by the hon. gent. for the same purpose; and Mr. Harman's evidence was referred to, in order to show, that even the Bank directors felt the effect, altho' they did not admit the cause; if then those facts were such as had here been proved, could they avoid ascribing them to their proper cause—the seignorage on silver? If they attended to the period at which the silver had been issued, they would find further confirmation of this opinion. The rates of exchange, and the price of silver varied at the same time. From July, 1816, to July 1817, the exchanges were favourable. Gold was at the mint price, and would be lower if the Bank had not kept up its price. If they had it in evidence that the depreciation took place at the same time that silver coin had been issued, they were bound in fairness to enquire whether it was the paper that had been depreciated or the silver; and the paper had conformed itself to the silver. The concurrence in time so accurately, demanded at least further investigation. He asked whether there were any other proofs of an over issue of Bank paper but the unfavourable state of the exchanges.

The hon. gent. here referred to a letter of Mr. Harman's, given in to the Lords' committee, stating the amount of paper issues at various periods, and hence inferred that there had been no over-issue. The silver coin had been issued in March, 1817, and in April (it had been stated July in one part of the evidence, but it ought correctly to be April) the depreciation had taken place. No effect could accompany a cause more accurately. In fact, it was incumbent upon those who supported the opinions of the reports to show, that the depreciation of paper in comparison with gold was caused by the over-issue of the former. This had not been done, and he denied that it could be proved. If members looked to those periods when the issues of Bank-notes were greatest, they would find that at these periods gold was often cheaper, and the exchanges more favourable, than when the circulation was more limited. The hon. member then read from a paper a number of dates within the last few years, and the amount of Bank-notes in circulation at each of them, giving also the price of gold at each particular date. As far as these went, he maintained that they proved this—that when the issues of the Bank were highest, gold was cheaper, and the exchanges more favourable, than when they were very considerably contracted. The evil complained of then, if owing to increase of issues, could not be said to proceed from excess of issues on the part of the Bank of England; but perhaps it would be said that this excess was from the country banks. This he denied; and he had in support of his opinion the evidence of many of the witnesses before the committees, that the issues from the country banks were at the present moment more limited than at any former period. It had been said, that when the Bank had issued the sovereigns,

they continued the same amount of notes as before, and had thereby materially increased the circulation; but this was erroneous, for it was admitted, that with very few trifling exceptions, the sovereigns were almost all used for the purpose of exportation. Taking, then, these arguments as admitted, he could not see any ground for the assumption, that paper was depreciated by the over issue. It had been urged, that the same nominal amount of circulating medium which might have been necessary at a former period, could not be so now, as from the speed with which notes circulated, and the improved manner in which business was transacted, a much less quantity would represent property to a greater amount. This seemed a plausible argument; but it was incumbent upon those who used it, and who complained of the over-issues, to show that the present circumstances of the country, in its commercial relations, were such as not to require the present amount. They should show that a less amount would be sufficient, which he contended they had not done. An attempt was made to show that a smaller amount of circulating medium in the present day answered the purpose of a much larger at a former period, by the right hon. gent. who had read a paper to show the amount of notes and the time of their circulation at the period of 1792 and 1816. The right honourable gent. had endeavoured to show from this and from the comparative quantity of business done by each note, that the same amount of notes now would represent a much greater proportion of property. Now, he (Mr. Grant) conceived that this argument was wrong, and he contended, that the issue of Bank-notes did not show so much the amount as the mode of mercantile transactions. According to the variation in that mode so might the amount of notes issued appear to represent a greater or less amount of property. Reasoning thus, and he gave his opinions upon mature deliberation, he could not agree in the conclusion which the right hon. gentleman had drawn, that a great part of the depreciation of our paper currency was owing to its over-issue. He could, he conceived trace the decrease of our gold coin, its high price, and the comparative depreciation of paper, to another cause—to one which, he heard with surprise, was meant to be continued—the Mint regulations; a system unknown before in this, and unpractised in any other country. This impolitic and absurd system was resorted to on the alleged ground that by it the Government would have a check upon the price and amount of the coinage. This check was sought to be established by a double means; the first was, keeping the coinage in the hands of government, they taking a seigniorage; and the second, by rendering silver not a legal tender beyond the amount of 40s. These, he contended, would be, as he maintained they had already been found ineffectual towards the proposed end. No law, he argued, could afford a protection to our coinage, while it afforded, as did the one of which he then spoke, a constant inducement to its sure violation, and our Mint regulations would in this respect be found as ineffectual as the law which prevented the exportation of gold—a law which, it was unnecessary for him to observe, was daily broken with impunity. By our present Mint regulations we gave an encouragement to the importer of silver, and gold, was rendered scarce by being sent out of the market to purchase it. A profit of 84 per cent. was held out in favour of the silver coinage; and with such an inducement, what was there to hinder ingenious and speculative men from working mints in France or any other part of the Continent, making silver coin exactly resemble ours in appearance and fineness, and transmitting them to this country, where they could get a profit of 84 per cent. upon them? The difficulty of detection would be exceedingly great. The imitation of our coin in base metal might be easily discovered; but such an imitation as that to which he alluded could with great difficulty be detected. The consequence would be, that while the temptation continued, silver coin would abound in this country to the exclusion of the gold. No argument could be drawn in support of the measure from the state of the silver coinage in the reign of William III; for though at that time it was made a legal tender to the amount of 25l. by tale, and over that sum by weight, yet in the tale a reasonable allowance was to be made for wear, and if, as was the fact, it became to be very much reduced by wear, it could not be considered a legal tender, and if taken as such, it was by common suffrage; but the same argument could not apply to our silver coinage now. Neither could the currency of the Dutch schellings in a deteriorated state afford an argument in favour of the system of the Mint regulations; for according to the evidence of Mr. Page, those schellings were rather used as counters, than passed as value to their amount; at least they were not taken as such by the Bank of Amsterdam. Indeed, so great an objection had the late Lord Liverpool to the system of seigniorage, from a conviction of its bad effects, that in the contract with Mr. Bolton for the copper coinage, it was stipulated that the coin should be of equal value with the metal given, *minus* the expense of coining. The hon. and learned gent. concluded by repeating his conviction of the inefficiency of the proposed checks, and his decided disapproval of our present regulations.

Mr. W. POLE felt disposed, without meaning to go at large into the question before the house, to give every explanation in his power of some of the points which had been touched by the hon. and learned gentleman who had just sat down. With the report, and the resolutions founded upon it, he fully concurred. They were, he conceived, all most rational deductions from the mass of evidence which had been presented, differing as it did on many points. He also argued on what had been said by his right hon. friend (Mr. Peel) as to the temper and absence of all party feeling with which the inquiry had been conducted on all sides. He gave credit to the hon. gent. opposite, who sat upon the committee, for their fair, honest, manly and assiduous attention to the whole of the details, which had come before them. (Hear.) They had considered the subject in a manner most honourable to themselves, and he hoped it would be found most beneficial to the country. (Hear.) He rose chiefly for the purpose of explaining to the house

a few points upon which the hon. gent. opposite had touched. He (Mr. Grant) had urged some opinions upon which it was his (Mr. Pole's) duty, as well as his inclination, to say a few words. Those opinions, though now put forward with the very great address and ingenuity which belonged to the hon. and learned member, were not new to him, nor to many other members of the house. They had besides the authority of the hon. and learned gent. who now put them forward, the additional weight of being supported by a man who, though remarkable for his great talent and information upon all great questions, was particularly distinguished for his diligent attention to this subject, (the currency). That nobleman (the Earl of Lauderdale) had upon this subject an extraordinary versatility, not in his opinions upon the subject of the currency, but in the characters under which he examined it. He was at one time "An old Merchant," at another "Daniel Hardcastle," and at other times he treated it under other disguises. He believed from the manner in which the honourable and learned gentleman opposite had spoken upon the subject, that he had been conversing with the "Old Merchant," and the other characters he had mentioned, for he seemed to have embraced and embodied a great many of the principles and sentiments which they had given to the public elsewhere. He (Mr. Pole) would now say a few words in reply to the observations of an "Old Merchant" and the hon. gentleman upon the subject of the Mint regulations, and he begged the attention of the house whilst he shortly recapitulated the principles on which they had been established. From the reign of William III. down to the establishment of those regulations, the country had been found to suffer very considerable inconvenience from having two currencies running together, both established: the one, the silver by law; and the other, the gold, being so accounted by common consent. The consequence of this system was, that the two coins became competitors, and when either rose in value above the market price, it had the effect of driving the other out of circulation; at least, as far the home circulation was concerned. This state of things, with all its frequent inconveniences, continued till 1773, when it being found that all the exchanges were regulated by gold coin, according to the evidence of a number of merchants who were then examined, it was determined that that metal should in future be the standard of our currency in law, which had already become so in point of fact. An act was therefore passed declaring this to be the case, and the effect was, according to the testimony of Adam Smith, to turn the exchanges quite in favour of this country. The silver was then worn to a very great degree, to a reduction of nearly 30 per cent. in value; and, in order to prevent a recurrence of the inconvenience which had occurred in King William's time, it was enacted, that silver should not be legal tender in tale for a greater sum than 25l. but for all sums above that, without limitation, it was a legal tender by weight, at the rate of 5s. 2d. per ounce. Now this act lasted from 1774 to 1783, during which time silver was a legal tender, and never once varied from the Mint price; so that, so far from the silver coinage having driven the gold coinage from the country, here was an instance of silver, deteriorated even 30 per cent., not having produced any such effect. After the year 1783, this act, by some omission, no longer appeared on the statute-book, upon which silver fell to 6s. per ounce; in consequence of this fall, Lord Liverpool stopped the coinage, rendered the act perpetual, and made silver a legal tender as far as 25l. This statement was decisively in the teeth of the honourable gentleman's argument; and therefore, when the result under such circumstances was diametrically opposite to what his theory required, he (Mr. W. Pole) did not expect to hear it contended that silver, which was now only a legal tender to 40s., would succeed in driving all the gold from the country. But then, says the hon. gent. this silver is only taken upon sufferance. He scarcely knew what this assertion meant, but he would remind the hon. gent., that in the 9th and 10th of William III., an act was passed, ordering the collectors to collect the coin where it was merely diminished by reasonable wearing; but to cut and deface it, if it was diminished by more than reasonable wearing. The object of this was to get old silver to the melting pot. Again, in 1773, another act, with a similar clause was enacted in regard to the gold coin, which the receivers were ordered not to take, except under restrictions similar to those appointed in the reign of William and Mary.

In consequence of these regulations, a great importation of light coin took place, and the act of 1774 was to prohibit it. But the hon. gent. changes his ground, and makes another objection, which, if he understood it rightly, and he took it from the "Old Merchant," amounted to this—"Say what you please, and do what you please, still as you have cut the pound troy into 66s. instead of into 62s. and as foreigners calculate the exchanges with you in your silver coinage, the exchanges must be unfavourable to you." He conceived there must be a fallacy in this argument, which, when once pointed out entirely destroyed the plausibility of it; it was this—that silver was not a legal tender above 40s. The hon. gentleman then argues, that as an ounce of gold coin can purchase 15½ ounces of silver in France, and only 14 ounces here, you may go to France and there dispose of that which in England was only worth 3l. 17s. for 4l. 5s. 3d. but if this were true, when an ounce of our gold coin was at 4l. 5s. 3d. per ounce, silver ought to be 5s. 6d. per ounce. But he could inform the house, that since the sovereign came out, silver had never been at this price. It was really worth while to see how the hon. gent. realized these profits; and here it was requisite to state, that the government of this country had never said that they could prevent the gold or silver bullion from rising in the market; it had only prevented them from clashing and competing with each other. Now, when the 15½ oz. of silver had been obtained at Paris, and brought over to England, what was the consequence? Why, to say nothing of the seigniorage, the importer could not coin it all. Then, when he went to the Mint, by the present regulations, he could not get more than 1l. per cent. so that, when the hon.

gentleman had worked out his proposition, he would find himself pretty nearly in the same situation as before. But even supposing his theory to be right, that the silver coinage had occasioned a rise in the price of gold bullion, the relative price according to it ought to be such as to realize 4l. 5s. 3d. per ounce, if our silver coin was at 5s. 3d. per ounce. Gold, however, was now 4l. 6s. 6d. per ounce, and silver was 5s. 4d. and not 5s. 6d. as the hon. gent. had stated it. And yet, if that hon. member had fixed the right standard gold ought to be at least 4l. 5s. 3d. per ounce. The hon. member then asserts, that as the profit of 8½ per cent. can be gained by the importation of silver, the country must be overwhelmed with coinage. Now he [Mr. W. Pole] had not heard of circumstances corroborating this statement, no, not even when the coin was deteriorated full 30 per cent. Dr. Adam Smith had said that it was a great object that we should have a new standard; but the hon. gent. wished that we should recur to our old standard, that the subject should be allowed to coin, and that silver should be a real tender to an unlimited amount. The same high authority had also said, "Limit the seigniorage on your silver according to that on your copper currency." He had examined what that would allow him to do, and had discovered that he had brought it within one farthing of it. He did not expect that the hon. member would have found fault with the manner in which the new coinage had been diffused through the country, especially as the exchange of it for the old was completed in a fortnight, though it had taken more than two years and a half in the reign of William III. and especially as, in spite of all the prophecies of the "Old Merchant," (and very bad prophecies they had turned out to be) that the petty shopkeepers and lower orders of society would be ruined by the sudden calling in of the old silver, not a single dustman had ever been in want of change. As to the observations which had been made upon the copper currency, he scarcely knew how to comprehend them, and should therefore content himself with informing the house, that a ton of copper, which was issued at 224l. sterling, was bought in the market, at 130l. and that though the copper coinage was subject to a seigniorage of 72 per cent. this had little effect on the money market, inasmuch as it was only a legal tender to the amount of 12d. This therefore, could not affect the interest of either debtors or creditor, though it was a great convenience to the public. The hon. gent. then went into some farther details, which were inaudible in the gallery; and concluded them by expressing his regret for having detained the house so long as he had done, and by urging the high sense which he had of the importance of the subject as his reason for so doing.

Mr. TIERNEY then rose. He had heard with the utmost satisfaction the speech of the right hon. gentleman who had proposed to the house the resolutions which they were that evening called upon to discuss. He could assure him, (Mr. Peel,) that if a compliment from so humble an individual as himself could give him any gratification, he would gladly offer it; but in truth he was afraid to do so, lest he should be thought to be paying a compliment to the principles which himself and many of the friends around him had been advocating for a long series of years. It was however, a source of sincere pleasure to him to hear those maxims for which he had so long been contending avowed as maxims of true policy in that house, especially as such ample justice had been done to them by the right hon. gentleman who had now, for the first time, adopted them. He had to return him his sincere thanks for this service, and above all, he had to return him thanks for the just and eloquent compliment which he had paid to the memory of a dear and lamented friend of his. He should have received still higher gratification from the events of the present evening, had that friend [Mr. Horner] been alive to witness the establishment of those principles which he [Mr. Horner] had been the first to propose to the attention of parliament. The eloquence with which he had explained, and the ingenuity with which he had defended them, had always attracted the admiration of the house, but it was reserved to a later period to acknowledge that they were no less true than they were ingenious. There was another instance, to which it was scarcely necessary for him to refer, where a similar act of justice had been done to a man, whose loss was lamented and regretted by every individual whom he had the honour of addressing—he meant Sir S. Romilly: the plans which that illustrious character had proposed for the amendment of the criminal law, though ridiculed and rejected as wild and impracticable theories during his lifetime, had been adopted since his death, and taken into the most serious consideration which parliament could give them. (Hear.) The right hon. gent. had just done justice to one of these distinguished characters; and he trusted that it would not be long before the house would do justice to the other. (Loud cries of hear.) He should not have risen, at least at this period of the debate, had he not been personally alluded to as to the only member of the committee who had declined giving his assent to this plan: this was not exactly the fact, although he was the only person who had effectually expressed that difference of opinion. In the proceeding of that body there was little or nothing to be complained of but the conclusion at which they had arrived; and it was due to the chairman to state, that he had acted with the most marked impartiality. (Hear, hear.) He Mr. Tierney much lamented that he could not concur in the proposition that had been submitted to the house: no man was more anxious than himself for a speedy resumption of cash-payments; no man had perhaps shown less lenity to the Bank directors, but justice ought to be done to all parties. He would state plainly and without reserve his reasons for preferring the amendment of his hon. friend, and for recommending it to the house for adoption. All were agreed, at least he hoped that all or nearly all were agreed, that the sooner the ancient standard of value was restored the better. There might be a few indeed who maintained that the Bank restriction could be continued without inconvenience; such a view of the subject he entirely abjured; he disclaimed all community of interest and feeling with them, and although he disagreed with the right hon. gent. who had introduced the subject, he perhaps even more widely differed from the monstrous doctrines that had been broached on the other side. He was well convinced that there was no security for the empire but in a recurrence, until that wholesome state were restored; and the only dispute would be, whether the method of restoring it now proposed, was such as ought to meet with the approbation of discreet men. The plan of the right honourable gentleman, or rather of the committee, lay in a narrow compass. It was, that the Bank, in Feb. next should pay at the altered standard of 4l. 1s. all demands upon them to the extent of

60 ounces of gold; that in October they should pay them in gold at the rate of 31 19s. 6d.; and by the 1st of May, 1829, revert to the old Mint standard of 31. 17 10: 2d: but it did not stop here: for the plan was to continue for two years from that date, during which the Bank was to pay its notes in bullion at the mint-price. The drift of the whole was, that in 4 years from the present date, that is, in the ninth year of peace, the country shall have a prospect, though a distant one, of enjoying once more the blessing of a metallic currency. The country was much indebted to his honourable friend (Mr. Ricardo) for employing his mind, so well endowed upon all subjects, upon this; but he was by no means convinced that the plan he had suggested ought to be adopted. The house, however, would bear in mind that the project of the committee was not his plan; it was a proposition of a totally different description, for it deferred all payments in bullion for two years, and did not at last give the country a specie currency until the lapse of two years more. It was true that some sort of stepping-stone to Mr. Ricardo's plan (for it was idle to conceal the name) might be prudent; but he could not without alarm and abhorrence see an attempt thus made to introduce for no less a term than 18 months, a standard of value unknown to the usages of the kingdom: it was in fact raising the price of gold because the price of paper was lowered: "if your gold," said the minister, "will not come to my gold, my gold, must come to your paper: if the mountain will not come to Mahomet, Mahomet must come to the mountain." (Hear.)

Perhaps the most eloquent of the many eloquent passages of the speech of the right hon. gent. related to this subject—to the danger that might arise from altering the ancient permanent standard of value; and it was this that produced in his (Mr. T.'s) mind the greatest degree of alarm: he feared that the principle of the ancient standard, being once broken down, would never again be restored. The system was proposed on the other side as a security against possible dangers; but he would ask in his turn, if there were not in that very system a possible danger of establishing a precedent of most injurious consequences? Suppose (to put a case) every thing went on as well as could be desired from hence until October; that there were no complaints of a drain on the Bank, or of a want of currency for the supply of merchants; what answer might be made to the application to carry into further effect the plan of to-night? What security was there, that the wishes of the country would be complied with, or that an application would not be made by ministers to parliament, stating that the 31. 19s. 6d. were not a sufficient price for gold, and that 4l. 1s. must be continued, or the kingdom would be exposed to imminent perils? Suppose at the termination of four years some unforeseen circumstances should occur like those of 1797, which induced government to think it impolitic to perform their engagement; they might then say, the Mint price of gold is not enough, let us go back to 31. 19s. 6d. per oz. or supported by precedent, they might even urge the necessity of returning to 4l. 1s. the price allowed three years before. Surely this was a very possible danger against which there was no guard, and the country might be deprived of all hope of ever returning to cash-payments at all: the Bank restriction itself might be proposed at the very moment when people thought a wholesome currency was restored; and thus the wheel might turn round without cessation: first with delusive promises, that gold should be restored, and afterwards with an exposure of that delusion, by a continuance of the restriction. (Hear.) Without introducing much of party into this subject, he was bound to say, that he must look with extreme jealousy at every danger of alteration in the plans of an administration, which by the proceeding now before the house reversed every principle which they had formerly considered sacred. (Hear.) What security had the nation, that after all that had passed they would not retrace their steps? (Hear, hear, hear.) Having lately had a new light break in upon them, respecting which he was reluctant to speak harshly, what confidence could the people feel that in a few years they would not be visited by a fresh illumination? It was the interest of ministers now to adopt one course, and they adopted it; but it might be their interest on some future occasion to adopt another course, diametrically opposite; and what pledge did they give that they would not desert the line they were now pursuing? (Hear.) What then was to be gained by this much boasted discovery? Here he might make many observations upon the drain upon the Bank, and on the reduction of discounts; but he forbore, because he was persuaded that the house would hear them to much greater advantage from some of the directors or merchants whose interest were concerned. He objected to the plan, because in his conscience he believed it to be so full of danger that nothing could justify it but paramount necessity: if cash-payments could not be restored without it, then he would give his consent to it, but not till then. He meant to put the matter fairly, and he hoped he had done so. What then was the real ground of this proceeding? Neither more nor less than this—that the Bank was not to be trusted. Ministers might now talk for ever to the contrary, without avail; the fact had almost been avowed by the right hon. gent. that it was absolutely necessary to take some security from the Bank, in consequence of the conduct it had pursued, and the opinions it entertained. As to the opinions of the Bank, he (Mr. Tierney) was as hostile to them in general as any man; but in justice to that establishment it was but right to say, that as yet the House (at least until the resolutions of the right hon. gent. were agreed to) entertained the sentiments of the Chancellor of the Exchequer, as detailed when he opposed the principles of Mr. Horner in 1816, and which were recorded on the journals. Since that time light had certainly broken in upon the Chancellor of the Exchequer; and who should assert that light might not break in upon the Bank directors? If a decided opinion of the majority of the country and of the house had made converts of ministers, and had induced them to abandon a course they had undeviatingly pursued for the last ten or twelve years, was it unfair to suppose, that the Bank directors might be converted also? He did not contend that those gentlemen were at all warranted in entertaining the strange and wild notions they had promulgated; but practically how did the matter stand?

The committee maintained as an abstract principle, and as statesmen and philosophers, that the issue of paper governed the price of gold; but the directors, not pretending to be judges of political economy, merely replied, that there would be a run upon them, and they must call in their paper for the purpose of protecting themselves. The issue then was between Statesmen and philosophers, acting upon solid principles of political economy, and Bank directors who considered only their own peculiar convenience and private interests. It had always struck him with astonishment that 26 such well-informed gentlemen could be found to maintain that the price of gold was in no way regulated by the issue of paper: that seemed a monstrous proposition, and the directors were now in a manner bound to admit, when they found all the rest of the world differing from them, that they must be in the wrong: they were even abandoned in this opinion

by their old friend, the Chancellor of the Exchequer, who having been long under the wing of the Bank, was determined now to act and think for himself; he even required from his ancient associates, the directors, some security that within a given space of time, they would do what was right towards the resumption of cash payments. The argument on the other side amounted to this, and to nothing else—that the Bank of England was no longer to be trusted, because it is evident, from some expressions used by the directors, that they will not take the proper and necessary measures for paying their own notes. He Mr. Tierney should be glad to know how it was possible to say any thing more severe against a body of men in trade? It was saying, in truth, that they were unwilling to take the shortest road to pay their debts: it was an imputation on their integrity; the legislature would not trust them to the extent of dealing honestly by their creditors: It was telling them that their objects was not to resume cash-payments, that they would postpone and avoid it by all means unless compulsion were put upon them, for which purpose they were to be absolutely chained down. Undoubtedly the Bank seemed to be acting very foolishly, even with a view to their own interest, for in a pecuniary point of view, the plan was most favourable to them. (hear, from the Chancellor of the Exchequer.) At least, therefore, the Bank were a thing upon a disinterested principle in opposing it, unless it were to be supposed that they did not understand what was or, was, not for their own benefit. Was it not, however, extraordinary that so much pains should be taken to obtain a security from the Bank, and that the house should take it for granted that government would do what was right? The evidence was directly in the teeth of this, for it showed that the Bank had uniformly endeavoured to what was right, and that government had, as uniformly resisted it. (hear) The crime of the Bank, if crime were the proper word, was that which had brought many men to ruin—keeping bad company: they seemed to have had a blind affection for, and a foolish confidence in, the Chancellor of the Exchequer, who had now reduced them to this melancholy pass, and a melancholy pass it was indeed. (hear, hear, hear.) The course of things had been this:—In 1816, parliament passed a bill, declaring that cash payments should be resumed in 1818: the Bank took steps to effect it, by advertising that they would pay a certain portion of their notes in specie: in the year following, 1817, they went further, and agreed to pay all notes dated before January of that year, amounting to many millions. But what did the Chancellor of the Exchequer do? He stated in the house with the utmost triumph, that the Bank were paying gold, and that a specie currency was actually commenced. This was the same Chancellor of the Exchequer who now declared, that the Bank was not to be trusted. (hear)

It was contended by the friends of the ancient standard of value, that the Bank ought then to have reduced its issues; but it now turned out in the evidence, that it had not been done, and that if stupidity were not the right word as applied to the directors, guilt was undoubtedly the right word as applied to the ministers. The evidence of Mr. Harman was decisive: he stated that the Bank did not decrease its issues, for it had no control over them, as the whole management was taken out of its hands by government. Was it not then most extraordinary, that no security was to be taken from the Chancellor of the Exchequer, while the right honourable gentleman was extorting the most peremptory securities from the Bank; in short, the shepherd was to be put into the stocks while the wolf was to be allowed to prey upon the flock. (hear, and laughter.) He (Mr. Tierney) felt no regard for the directors in their corporate capacity; with three or four he was acquainted, and to one he was related, but private feelings should have no influence upon his conduct; and when he recommended that all the securities should not be taken from them, he did it upon public grounds. He could not figure to himself any thing more mischievous than for the government to hold up the Bank as unworthy of public confidence: a private establishment would have been ruined by it, and the Bank of England was now only to exist under the control and at the discretion of ministers: the directors were no longer to decide upon the increasing or decreasing their issues; they were not to be trusted with the management of their own affairs: 3 months ago the Bank was respected by all classes, even courted and conciliated by ministers; now it was abused by its oldest friends, and abandoned by the whole world. As long as there was a Bank it was only interest to maintain its character: upon that depended the estimation in which the public would hold the currency; and a more extraordinary recipe for government was never heard of than this—that because some new light had broken in upon those hitherto “in middle and utter darkness,” the strictest securities were to be demanded, and the utmost rigour displayed. Did he (Mr. Tierney) then wish for securities? He did, and as the most effectual, he required that the Bank should be paid the advances it had made to the full extent demanded. If they wanted 10,000,000, let them be paid, and then let the house pass some strong resolutions that at the time appointed a specie currency should certainly be restored. Thus the whole responsibility would be thrown upon the Bank, and harmony might yet be restored, if all the communication had not been quite cut off. The house had seen some strange political reconciliations among ministers, and sure he was that a reunion between the Chancellor of the Exchequer and the Bank would be much more to the advantage of the country than the personal coalition to which he referred, (hear, and laughter.) The Bank would then have no excuse for neglecting to prepare—nay, he would go the length of saying, that if after the repayment of the debt, it did not take the necessary steps it would have forfeited its character, and he for one would vote for its annihilation. (hear.) If the directors deservedly forfeited confidence, away with them; but it was most unfair that ministers should insist that the machinery of Three-and-sixpence should work as easily as ever, and withhold the very oil from which it derived its facility. (hear, hear, hear.) His firm conviction was, that after what had passed, if the 10,000,000 were paid, the Bank would be ready in two years or sooner to resume cash payments. (hear.) He was one of those who believed that the ordinary current of the Bank, unless checked by war, a deficient harvest, or some other cause of equal power would necessarily bring the exchanges right, and that in healthy times it would be found much more difficult to get the gold out of the country, than to get it into it. For this opinion he could have stated many reasons, were he not afraid of wearying the house. It was said, however, that circumstances might arise to produce an alteration; but if in the course of 4 years such calamity might be expected, was it anything less than madness not to have made arrangements sooner? All these things pressed upon his mind in favor of the amendment which provided that the Bank should be paid its advances in certain proportions monthly to the extent required. Yet to vote the money for such a purpose was doing nothing; the house had voted it last year, but the Chancellor of the Exchequer had never paid it: it now appeared that the directors had had some communications with the Chancellor of the

Exchequer and Lord Liverpool, with a view to resuming cash-payments in July: it was agreed that a million a month should be repaid to the Bank, and parliament confirmed this understanding by its vote: but what was the result? The Chancellor of the Exchequer paid 750,000, in May—refused to disburse a shilling more and now turned round upon the Bank and accused it of being negligent and improvident. It turned out also on the evidence, that the Bank had remonstrated against the foreign loan as injurious to the exchanges, and this previous to the proposal of the renewal of the restriction; yet the Chancellor of the Exchequer had come down to continue it only for one year, when he must have been morally certain that a specie circulation could not be restored by the date appointed. Thus he had wilfully deluded the country, and yet wished to appropriate to himself all the confidence the public justly felt in the Bank. (hear, hear.) The directors might have been duped, but at least their dupery was less injurious to the nation than the conspiracy of ministers. (hear, hear.)

Though he (Mr. Tierney) was far from concurring in the wild doctrines of some, he must be pardoned for saying, when he found all classes of men uniting in opinion against the plan, that there must be something in their aversion. It would be asserted, no doubt, that such men did not understand what they were talking about, that they argued against the principles of such and such approved writers; this might be a very pleasant answer for ministers, but it would not satisfy those who would be severe losers by the scheme. Next it would be urged, that such doctrines encouraged panic, but it was one of the chief beauties of the amendment, that it put an end to all causes of alarm. However, panic was a very favourite word on the other side; but had not a man, with a 101. note, some cause to complain, who, when he took it to the Bank, was told it was good for nothing, unless he could bring with it others to the amount of 210l. This must excite in him a degree of alarm for the consequences; and yet, because he could not command the sum required, he was to be deprived of his gold. Suppose he wished to bury it in his garden—suppose he told the Bank that that was his fancy; the answer would be, that the legislature had prevented it. What would be the result? It was a necessary part of the plan that Banknotes should be made a legal tender, but that could not be effected without gross injustice. The distinction between a person with 240l., and another who had only 10l. in Bank-notes, was most iniquitous: the one might amass his ingot, while the other could only trust to his paper; the one, if he were alarmed, might obtain gold, while the other could obtain nothing; so that a panic was allowed to a man of large means, while a person of a small fortune had no right whatever to indulge apprehensions. (hear.) It had been said that no evidence had been called before the committee as to the merits of this project, and it was an extraordinary truth, that from the moment it was resolved upon, no human being was consulted as to its effects. It was made a point of honour that the directors should have no communication with the committee; they were driven out of the room, and day after day performed at the door a melancholy quarantine. At the present moment, excepting privately, ministers knew nothing of their opinions, and the plan before the house. They had, indeed, been asked about Mr. Ricardo's system, and their answer was not one of the wisest, when they spoke about paying at the Mint price of the day. Mr. Baring was the only soul who had been asked a question on the subject, and he distinctly stated, that it would not answer the purpose. Ministers must, therefore, not be much surprised, if they found the plan rejected out of doors. If the claim of the Bank were allowed to the extent of 10,000,000, not only all idelicacy would be avoided, but the security would be greater; and if government were to be trusted at all without any guard upon their conduct, there was no occasion for the plan. Parliament would probably meet before either February or October; and if in the intermediate time the Bank did not take the necessary steps to resume cash payments, it would then be sufficiently early to call the directors before the house. There was no difference in allowing the Bank two years, and limiting it to short periods, excepting that the latter fettered all discretion. There was another argument in favour of the amendment of his hon. friend: could any one doubt that the plan of the right hon. gentleman was the cause of the depression of the funds? Would any commercial man hesitate to say, that if the amended plan were adopted, the consequence would be an immediate rise in the funds? He was himself satisfied of that fact. (hear, hear, hear.) How could the conduct of the Chancellor of the Exchequer produce credit or confidence in government, when even in time of peace he was about to have recourse to a loan! The machinations of government had already reduced the consols to 66. Was it not a material object at a time like this, when there was so much alarm, and so much cause for it, to do every thing which could tranquillize men's minds? Oh but, says the Chancellor of the Exchequer, “Who cares for alarm? Rely upon me and all will be right.” But who could rely on men governed by no fixed opinion, who to-day professed themselves converts to right principles, because they could not help themselves, and who to-morrow would return to their old errors and absurdities, if left to their own wills? A right hon. gentleman had triumphed over his colleagues in having maintained one consistent opinion from the beginning, and he (Mr. Tierney) sincerely congratulated him on such a cause of triumph, because he felt that it was a benefit to the country that such opinions should be held by a man in high office; but his colleagues were not entitled to respect or confidence for one moment after the disgraceful part they had acted. One minister had maintained what was right, that the issue of paper governed the price of gold; while another as strenuously insisted that a pound note and a shilling were equal in value to the guinea. But the joke was, that the Chancellor of the Exchequer, who had broached the last enlightened maxim, now asserted with all his might that a pound note and a shilling would not purchase a guinea. Would it not be a disgrace to the house to keep on its journals such a resolution as that he had now alluded to, in conjunction with the resolutions proposed this night! The principles of the two were diametrically opposite, and to reconcile them was impossible. Ministers now wished to have the credit of taking an enlarged view of the question; but sad work they made of it. What defence they could make he knew not; and how, notwithstanding their sudden change to just principles, they could acquire the confidence of the country, he was at a loss to decide. They had gone into the committee without any plan of any kind, and for any good they did Gog and Magog might as well have been sitting on each side the chair. (o laugh.) There they might have remained, had it not been for the ability of the chairman who had helped them out of their scrape. (o laugh.) By some good luck a plan came to them either by the penny post or by some other conveyance; immediately they took hold of it, they shouted *Te Deum*, and thanked God for sending them a scheme which was directly in the teeth of the whole system on which they had acted for the last 25 years. (hear.) He should recommend the amendment of his hon. friend,

as most likely to conciliate the public mind, and to allay those alarms which had sprung out of the bad management of the Chancellor of the Exchequer. He should therefore propose, either that the amendment be adopted, or that the house should adjourn the further consideration of this momentous question. (continued cheering.)

The CHANCELLOR of the EXCHEQUER said, that he would not give a silent vote on this occasion; let it might be imputed to him that he gave merely a sullen approbation to the plan proposed: on the contrary, he begged to express his most cordial assent to the plan, thinking as he did, that it was most admirably calculated to ensure that most desirable object, the resumption of cash payments. He had always been of opinion, that it was highly important that the restrictions should be removed whenever the commercial and political relations of the country rendered such a measure safe and practicable. The committee had avoided merely theoretical reasonings, and had addressed itself to the practical part of the question: that course he intended to take on the present occasion. But he begged leave to preface his speech with one observation, which was, that those who felt inclined to comment on his former opinions, would take them from the printed documents, and not from those interpreters who, without much candour or kindness, had chosen to state them for him, assuming that the object of Government was to return as soon as possible to cash-payments: the question was, what was the least inconvenient mode of obtaining that result. He was glad to see the resolution which recommended the sum due to the Bank; nor did he object to the amendment which suggested the repayment in monthly instalments; but he thought this a matter of detail to be settled at a more convenient opportunity. The right hon. gent. had said, that the Bank was held up to obloquy, and was not allowed to manage its own affairs. He did not mistrust that establishment; he had been too long acquainted with it to doubt its integrity or good intentions: but he did not on that account think the resolutions less necessary, for whatever confidence he might place in the Bank, he was convinced that nothing but the test of a metallic currency would satisfy the mercantile part of the public that government was in earnest with respect to cash payments. Without some preparatory steps like that now suggested the public would continue in doubt, and would feel that two years hence they would be precisely in the same situation. The right hon. gentleman here went into a detail of the different plans that had come before the committee, and gave the preference to the one now before the house, as one most beneficial to the Bank, and which bears with the least pressure upon the commercial interest. It was true that a depression of the funds had taken place, but there was nothing in the plan proposed that could account for such depression: on the contrary, it afforded more commercial facilities than any immediate resumption of cash-payments, and saved the Bank from the risk consequent on a sudden panic. The right hon. gentleman (Mr. Tierney) had referred to the evidence of Mr. Baring, as being in opposition to the plan now proposed: but a careful perusal of that gentleman's testimony would show that he supported the plan. Out of 14 witnesses, 10, including the governor and deputy-governor of the Bank, had given evidence in its favour: three (Mr. Rothschild, Mr. Smith, and Mr. Harman) were certainly unfavourable, and one (Mr. Ward) gave no decided opinion.

Mr. RICARDO rose, amidst loud invitations. He said that he was one of those who conceived the resolutions calculated to effect their object. From the speech of his hon. friend and other evidence, he was induced to think that the Bank wanted to resume cash-payment, but did not know how to put their wishes in operation. He had heard it declared that the issues of paper had no effect whatever upon the price of bullion. What supported this assertion, or were not proofs in direct contrariety to it? Now it appeared that the Bank had failed to resume cash-payments, year after year, although year after year called upon by that house to do so (hear). It was, therefore, high time that the matter should be taken out of their hands, and that the house should feel itself called upon to look to the effecting of that measure. He did not think this a question only between the Bank and the ministers; but more between ministers and the Bank and the country. (hear.) He was, therefore, particularly disposed to concur with his right hon. friend in any measure which might be devised to keep the ministers also under control. (hear.) One principle was clear—that those who had the command of the circulating medium of the country had the power of regulating the price of every commodity. This power clearly resided in the hands of the directors, as controlling the circulating medium, and it was a most formidable one. Why, then, putting the question shortly, for the application of the measure recommended by the committee, the result was, that by withdrawing a certain quantity of paper from the circulation, we restored the remainder of it to the value of bullion; which was to raise it 2 or 3 per cent. He could not, however, go along with the right hon. gentleman in his statement; for in order to raise the paper currency to the value of a metallic one, there must be a demand for gold over and above that actually in the market. As to the plan itself undoubtedly he approved of it; for would they leave to the Bank directors, a power of keeping out all the metals, and making the currency of paper only? The Bank directors could have no real interest in depreciating the currency: it was their interest to raise it to double its value. They stood in the light of creditors, not of debtors; they were the last whom we should have expected to object to the plan, and he thought no means so likely to succeed as those before the house. The bank directors, so long as they continued to make large advances to government, must be liable to get into a situation of distress. They might extend their advances so far as to quadruple the currency of the country. Their error was, in supposing that the rate of interest would always point out a proper limit to their issues; but the rate of interest had been proved, both by Hume and Adam Smith, to depend, not on the quantity of money, but on the profits of stock; even though they did not advance any thing to government, it was in their power, by an excess of discounts, to make the circulation redundant. The Bank directors were, in the management of their discounts, he had some reason to believe, governed by old habits. One of their rules was, he understood, to fix a particular limit, beyond which they would not extend their accommodation to any individual. The hon. gentleman, however, had said, that the directors did not confine themselves to this limit, where the individual's credit was undoubted. He was certainly for leaving them to conduct all such transactions according to their own discretion and pleasures, provided only that such a check was established as should guard against a redundancy. The proposed mode of resuming payments appeared to him the easiest that could be imagined. The Bank would be placed under no restraint at first, nor any sudden necessity of reducing its issues. An opportunity would be afforded of effecting the object in the most gradual manner; and even when bullion payments should be made at the Mint price, no inconvenience would be felt inconsiderable. If the Bank managed discreetly, they might open in 1820 with a very small issue of gold; all they had to do was to

diminish their paper regularly. What indeed he was afraid of, was, that they would reduce it too rapidly. (hear.) If he were to give them advice, he should counsel them not to buy any bullion at present, but rather to sell it, and wait with patience, till its price should fall, as it then soon would, to the Mint price of 31. 17s. 10½. per ounce. He lamented the loss of that part of the original plan, which would compel the Bank to purchase gold as well as to pay it on demand. He thought it might serve to operate as a check against what might hereafter happen that was against their saving the circulation. Individuals might indeed by carrying gold to the Mint, furnish an occasional supply to the circulation. Mr. Missett, who had given his evidence with great precision and ability, stated his opinion, that with 300,000l. always in the Mint for coinage about 12,000,000l. might be added to the currency within the period of a year. He supposed that this calculation implied, that the sum of 300,000l. should be constantly kept up by successive quantities, and besides, a year was a long time to wait for such a supply, if it were actually wanted. The Bank directors could not possibly have any desire to thwart the government, and he did not think therefore that they would have objected to the adoption of this part of the plan.

With regard to what had fallen from his right honourable friend with respect to the graduated scale of payments, he might refer him to Mr. Thornton's evidence, as indicative that no serious objection was entertained against it. He confessed himself to be utterly astonished at the alarm, which had gone forth, because, a reduction which was to raise the value of the paper to a par with gold, (the difference being now only 3 per cent. and the amount of the reduction, therefore, not necessarily exceeding 1,500,000l.) was to be brought about in the course of 4 years. (hear.) He could only attribute it to the indiscreet conduct of the Bank directors, and to the remonstrance which they had addressed to Government and in which they actually sounded the alarm. (hear.) The hon. gentleman (Mr. Manning) had complained of confidence being withdrawn from the Bank, but the house had not withdrawn it on account of their want of probity, but on account of their ignorance of political economy. (a laugh.) They had ample time and means of being prepared to resume their payments. But what had been their conduct? They had continued their advances to the Chancellor of the Exchequer, in spite of the approaching period when the restriction was to expire. Yet it would be said that they had done this for the public interest; but the protection of the public interest was not their business; it was that of his Majesty's ministers. (hear.) The hon. director had talked of the accommodation which they had furnished to government, and the sacrifices they had made at different times for the country at large. Now he gave them no credit whatever for those sacrifices. It was their duty to attend to the business and promote the interests of the Bank proprietors. He had been much astonished at the small amount of their savings, having previously conceived that it was at least 5,000,000l. This was now explained, for they had thrown away a million here and a million there, for the purposes, as it appeared, of protecting the public. With regard to reductions in 1796, which the hon. director had referred to, as a sort of warning that the circulation might be hereafter cramped in the same way, he must observe, that in 1796 the case was extremely different. The price of gold was then below the Mint price, but a panic prevailed, and the Bank was induced to lessen its issue. It had been asked why should not the poor man with only 10l. get gold for it if he wished, as well as the rich man? To this, he answered, that they did the same benefit to the poor man by restoring the whole currency to its proper value, and by making 16,000l. worth what it purposed to be instead of what it now really was worth, only 970l. Besides, the poor man, if he were very desirous of gold, might carry his 10l. note to a goldsmith's, and procure with a very trifling difference, the full proportion of what the Bank itself paid. (hear.) To revert to the subject of the advances to government, he must ask why were they made? He could only ascribe it to the strong propensity of the Bank directors to act as ministers. (a laugh.) If they would give up this anxiety about the state, and attend only to their own interests, things would go on much better. (hear.) A most fearful and destructive depreciation had at one time taken place, but from that we had recovered, and he was happy to reflect that he had so far retraced our steps. We had nearly got home, and he hoped the right hon. gent. would lend them his assistance to enable them to reach it in safety. He would venture to state, that in a very few weeks all alarm would be forgotten, and at the end of the year we should all be surprised to reflect that any alarm had ever prevailed at a prospect of a variation of 3 per cent. in the value of the circulating medium. His own general opinion was, that an unfavourable state of exchange must always proceed from a redundant currency. If corn were imported and paid for in bullion, it was a proof that bullion was the cheapest commodity. Suppose all the Bank notes to be paid in gold, would not gold become infinitely cheaper? If our paper had been of any intrinsic value, it would, having become cheap from excess, have been exported also. (hear.) He thought it right here to pay the tribute of his approbation to the late excellent regulations of the Mint. He entirely approved of making gold the standard, and of keeping silver as a token currency. It appeared to him to be a solid improvement in the system of our coinage. No thing could be clearer than that Government had the power, by limiting the quantity, to regulate the value of the silver. The hon. gent. (Mr. J. P. Grant) indeed had observed, that the silver coin might be imitated abroad; supposing this to be the fact, the value of the silver coin might be lessened, but that of the gold would not therefore be raised. The silver was not a legal tender above 40s. and gold might always be demanded. It was true that 105l. might be offered in silver instead of 100l. in gold; but this could have no effect in altering the relation between gold and all other commodities. He should be happy to argue this question with the honourable member. (Mr. Grant), or the "Old Merchant," (a laugh) on some occasion when it would be less irrelevant to the subject under consideration. The hon. member sat down amidst loud and general cheering from all sides of the house.

Alderman HEYGATE then addressed the chair, but the impatience of the house produced a temporary conclusion, in the midst of which, after one or two observations, the hon. member sat down.

Lord CASTLEREAGH suggested, that as there was but little hope of the house being able to come to a decision on this important question that night, it might be more satisfactory to the honourable member (Alderman Heygate) himself that the debate should be now adjourned till to-morrow, when he would have a more favourable opportunity of stating his views to the house.

The question for adjournment was then put and carried, and the other orders of the day being disposed of, the house adjourned at near 2 o'clock this morning.